

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

Secretary for Environmental Protection (Office of the Secretary)

The California Environmental Protection Agency (CalEPA) coordinates and supervises the State's environmental protection programs, with particular focus on restoring, protecting, and enhancing the State's environment.

The Secretary for Environmental Protection oversees the Air Resources Board, the Integrated Waste Management Board, the Department of Pesticide Regulation, the State Water Resources Control Board (which includes the nine Regional Water Quality Control Boards), the Department of Toxic Substances Control, and the Office of Environmental Health Hazard Assessment.

With significant investments during this Administration, the CalEPA organizations are making steady progress toward the goals of ensuring public health, environmental quality, and economic vitality. More complex

challenges and a rapidly growing population require creative new approaches and the participation of all Californians to reduce pollution and waste, and maintain a high quality of life for current and future generations. In the 2003-04 fiscal year, CalEPA will continue key initiatives to address asthma and other environmental health risks to children, environmental justice, trans-boundary and coastal pollution, ecological and human health risks from fuels, toxics, and other substances, and water quality improvement. Building on California's long tradition of worldwide environmental leadership, CalEPA will also undertake efforts to address new challenges such as climate change and product stewardship.

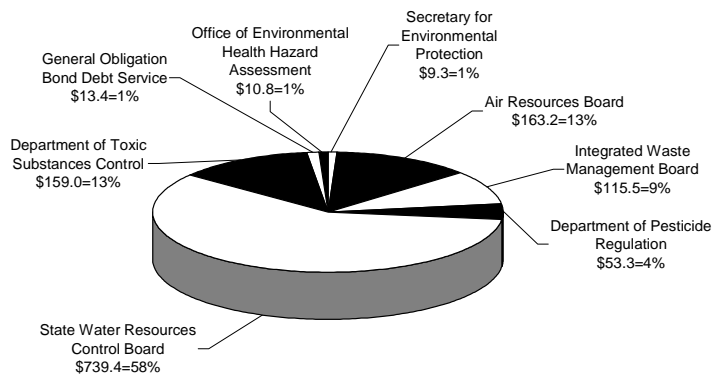
Continuing the Administration's strong commitment to California's environment, the Governor's Budget includes \$1.26 billion (\$99.5 million General Fund) and 4,601.2 personnel years in support of environmental programs.

For 2003-04, the Budget proposes \$9.3 million (\$2.3 million General Fund) and 38.5 personnel years for the Office of the Secretary. The Budget reflects a reduction of \$339,000 General Fund, which will



FIGURE EPA-1

**Environmental Protection
Proposed 2003-04 Expenditures
All Funds**
(dollars in millions)



eliminate funding for the Permit Assistance Centers. Services will continue to be available, however, through continued and expanded use of the CalGold internet website.

Air Resources Board

The Air Resources Board (Board) helps protect public health by ensuring that federal and State health-based air quality standards are achieved and exposure to air pollutants is reduced through controls on mobile and stationary sources of pollution. The Board adopts and enforces emission standards for motor vehicles, fuels, consumer products, and toxic air contaminants. Research, monitoring, and emission inventory programs provide a scientific and technical foundation for these regulatory activities. Controlling particulate matter and toxic compounds, investigating health impacts, and developing zero-emission technology are particularly challenging tasks related to improving air quality in the state.

The Board oversees 35 local air pollution control districts, which are primarily responsible for controlling and permitting sources of industrial pollution. Each district adopts and enforces its own rules in compliance with applicable federal and State requirements. The Board reviews district rules for effectiveness, approves district clean air plans required under the federal and California Clean Air Acts, and audits district compliance programs.

The Budget proposes \$163.2 million (\$10.4 million General Fund) and 1,009.6 personnel years, and includes the following adjustments:

- ◆ A fund shift of \$10 million for stationary source programs from the General Fund to the Air Pollution Control Fund.
- ◆ An increase of \$6.0 million Air Pollution Control Fund for Fine Particulate Matter (PM 2.5) monitoring infrastructure improvements.
- ◆ A decrease of \$2.0 million General Fund for Zero-Emission Vehicle grants, leaving \$6.6 million Motor Vehicle Account for these grants.
- ◆ A reduction of \$2.1 million General Fund and 16.1 personnel years for various monitoring and compliance programs.

Integrated Waste Management Board

"Reduce, reuse, recycle, and buy recycled," are the conservation tenets under which the Integrated Waste Management Board (Board) oversees management of solid



waste materials through programs that permit and regulate solid waste facilities, educates Californians about reducing the amount of waste disposed at landfills, and assists in the development of markets for recycled materials. The Board also assists local governments in analyzing waste streams, and tracking and reporting disposal and diversion rates. Future efforts will focus on new waste streams as a consequence of population growth, new technologies, and changing consumer preferences.

The Governor's Budget proposes \$115.5 million and 466.0 personnel years and includes the following additional funding:

- ◆ \$1.5 million Integrated Waste Management Account for periodic statewide waste stream characterization updates.
- ◆ \$1.5 million Integrated Waste Management Account to increase the number of household hazardous waste grants.
- ◆ \$640,000 Integrated Waste Management Account to expand the Landfill Closure Loan Program.
- ◆ Shifting \$116,000 for support of the Board from the General Fund to the Integrated Waste Management Account.

Department of Pesticide Regulation

The Department of Pesticide Regulation protects public health and the environment through the nation's most rigorous and comprehensive program to evaluate pesticides and control their use by regulating pesticide sales and use. Specific oversight

responsibilities include scientific evaluation of pesticides before they are licensed for sale, local enforcement to ensure that pesticides are used safely, residue testing of fresh produce, environmental monitoring to detect, reduce, and prevent contamination, and programs to encourage the development and use of pest control practices that are environmentally sound.

The Governor's Budget provides \$53.3 million and 358.6 personnel years for ongoing programs, and replaces all General Fund support of the Department with increased special fund revenues related to increased mill assessments of \$7.5 million, increased licensing and examination fees of \$1.1 million, and \$2 million anticipated from greater efficiencies in collecting fees through establishment of a Mill Assessment Branch.

State Water Resources Control Board

The State Water Resources Control Board and the nine Regional Water Quality Control Boards are responsible for the preservation, enhancement, and restoration of the quality of California's water resources. State activities include regulatory oversight of surface, ground, and coastal waters; allocation of unappropriated water; control of unauthorized water diversions; and protection of water quality in watersheds and coastal waters from point and nonpoint sources of pollution. The Governor's Budget includes \$739.4 million (\$44.6 million General Fund) and 1,617.1 personnel years for support of these ongoing programs.



The Budget proposes \$65.9 million for grants under the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act of 2000 (Proposition 13). This amount includes the Water Recycling Program (\$5.6 million), Watershed Protection Program (\$21.8 million), Nonpoint Source Pollution Control Program (\$23 million), and Wastewater Construction (\$15.5 million).

The Budget further includes \$114.7 million for grants and loans from the Water, Security, Clean Drinking Water, Coastal, and Beach Protection Act of 2002 (Proposition 50). The funding includes \$18 million for clean beaches, \$32.5 million for regional water management projects such as storm water management, wetland restoration, and groundwater management, \$62 million for water quality projects, and \$2.2 million for state operations.

The Budget proposes an increase of \$15 million Underground Storage Tank Cleanup Fund to reimburse eligible claimants for costs incurred for cleanup activities related to leaking underground storage tanks.

In light of the current condition of the General Fund, however, the Budget reflects a reduction of \$14.7 million General Fund for various water quality and water rights programs such as: water right applications, investigations and cleanups, water quality trend monitoring, water quality control planning, agricultural waste management, Chromium 6 investigations, nonpoint source activities, underground storage tanks, Salton Sea restoration, and CALFED program oversight and coordination. The Budget also includes a \$13.6 million funding shift for the Core Regulatory Program from the General Fund to the Waste Discharge Permit Fund.

The Budget contains an increase in waste discharge permit fees levied against entities discharging wastes onto land or water. These fees are used to permit and monitor discharges and take enforcement action where dischargers are out of compliance with their permits. The Budget proposes to increase the statutory cap on Core Regulatory Program fees (National Pollution Discharge Elimination System [NPDES], NPDES Stormwater, Chapter 15 Land Disposal, Waste Discharge Requirements, and Section 401 Certification). This increase will shift most of the financial support for the program from the General Fund to fee payers, consistent with the “polluter pays” principle. The remainder of the program is funded from federal funds.

Department of Toxic Substances Control

The Department of Toxic Substances Control (Toxics) is responsible for the prevention and remediation of environmental damage caused by hazardous wastes. The Department regulates hazardous waste transportation, treatment, storage, and disposal in California; oversees cleanup of contaminated sites; and promotes pollution prevention. Specific programs include site mitigation, hazardous waste management, pollution prevention, and technology development.

The Governor’s Budget proposes a reduction of \$3.4 million General Fund for various programs and various fund shifts, including a shift of \$340,000 for border activities and \$410,000 for oil refinery inspections and enforcement from the



General Fund to the Hazardous Waste Control Account, and a shift of \$907,000 for direct site cleanup activities from the General Fund to the Toxic Substances Control Account.

The Budget proposes \$159.0 million (\$20.1 million General Fund) and 1,011.7 personnel years for support of these programs, and includes new funding as follows:

- ◆ \$3.7 million increased federal funds to conduct regulatory oversight activities at sites that require oversight and remediation as a result of hazardous material contamination.
- ◆ \$459,000 (Hazardous Waste Control Account) to continue oversight activities at the Casmalia hazardous waste site.
- ◆ \$1.9 million (Expedited Site Remediation Trust Fund) for the Expedited Remedial Action pilot program. The funding will be used to cover a share of liability for remediation costs at sites for which there is no responsible party.
- ◆ \$870,000 reimbursements and 9.0 limited-term positions to address additional workload resulting from the passage of the Kindergarten-University Public Education Facilities Bond Act of 2002 (Proposition 47), which requires school districts to submit environmental review documents to Toxics as a condition of receiving State funding for school construction. Toxics ensures that proposed school sites are free of contamination, or that contaminated properties are cleaned up to a level that is protective of a future school's students. This funding will allow Toxics to

provide necessary oversight for the anticipated increased number of school projects.

- ◆ \$530,000 (Environmental Quality Assessment Fund) to administer the Registered Environmental Assessor Program, which was transferred to Toxics from the Office of Environmental Health Hazard Assessment pursuant to Chapter 626, Statutes of 2002 (SB 1011).

Office of Environmental Health Hazard Assessment

The Office of Environmental Health Hazard Assessment (Office) protects public health and the environment through objective, scientific evaluations of risks posed by hazardous substances. The Office conducts risk assessments for various CalEPA programs and organizations as well as other State and local agencies, and develops scientific tools and information that serve as the basis for risk management decisions. Health risk assessments focus on exposure to chemicals in air, water, food, consumer products, hazardous and municipal waste facilities, fish and shellfish, and sediments in bay and estuarine waters.

The Governor's Budget includes \$10.8 million (\$8.7 million General Fund) and 99.7 personnel years for these programs. In light of the current condition of the General Fund, however, the Budget reflects a total reduction of \$3.9 million General Fund for risk assessments, research contracts, scientific studies, and operating expenses and equipment.



